

DRIVER LICENSE DIVISION

EXECUTIVE SUMMARY

Texas has an estimated population of 24.9 million people in 254 counties and shares one (1) of the largest international borders with the country of Mexico. The Driver License Division (DLD) is responsible for maintaining 4.2 million records for those with identification cards, and 16.3 million records for valid licensed drivers. The DLD issues approximately 5.1 million driver licenses a year through original, renewal, and duplicate issuance transactions for an average revenue of \$95 million each year. DLD continues to strive for innovative and efficient methods to serve the citizens of the State of Texas.

A significant obstacle to obtaining personnel resources is the current salary structure for Driver License Division technicians, examiners, and customer service representatives. The job knowledge, expertise, and responsibility required of these positions have significantly increased since they were created. The compensation for the knowledge, skills, and personal dedication required of these positions is limiting the ability to attract and retain qualified employees in field offices and the Customer Service Bureau. An increase in entry salary and a career ladder that increases compensation is necessary to retain these employees to benefit from their knowledge and experience.

The Driver License Division is charged with maintaining the integrity of the Texas driver license and meeting the agency's goal of traffic safety through the examination of drivers, the improvement and control of problem drivers, and traffic and criminal law enforcement. This division also recognizes customers' needs and demands for service have changed and stands ready to meet and exceed these expectations using innovative technology.

The events of September 11, 2001 have proven to be pivotal to the administration of the driver license program not only in Texas, but nationally. This division acknowledges the need to ensure all appropriate measures are taken to prevent fraud and terrorist activity via the license issuance process. The driver license has evolved from a simple permit needed to operate a motor vehicle, to a nationally recognized form of identification which opens the opportunity for travel and to establish and process financial transactions. States have always been proactive in deterring fraud related to the license issuance process. As the United States faces a continuing threat of foreign and domestic terrorism, state DMV's as a first lines of defense, are being required to play a larger and more critical role in the deterrence of terrorist acts through the prevention of fraudulently issued driver licenses. The Division's three (3) services, the Administrative License Revocation Service, the Field Service, and

the Headquarters Service which includes the License Issuance Bureau, Driver Improvement Bureau, Driver Records Bureau, and Customer Service Bureau all contribute to the responsibility of maintaining the integrity of the Texas driver license process and meeting the agency's goal of traffic safety through the examination of drivers, the improvement and control of problem drivers, and traffic and criminal law enforcement. DLD has identified this need and has taken a proactive approach to combating and preventing fraud in the issuance process. The strategic challenge for the division will be to continue to explore opportunities and obtain the necessary resources to address future enhancements to the issuance process, to combat driver license fraud, and to ensure the safety of the motoring public.

DRIVER LICENSE DIVISION SERVICES

The DLD is comprised of three (3) services.

Field Service

The Field Service is responsible for 256 full-time, part-time, and mobile driver license offices serving approximately 299 locations statewide. Services provided include the examination of new drivers; improvement and control of drivers posing a potential safety risk; and the enforcement of traffic and criminal laws. Special emphasis is given to Commercial Driver License applicants through the Threat Assessment background check initiated by field offices for The Transportation Security Agency. Comprehensive examinations are administered to drivers displaying difficulties in the safe operation of a vehicle, such as the older driver.

As a result of the events of September 11, 2001, State driver licensing operations have shifted from ensuring highway safety by evaluating driver competency to additionally include enhancing homeland security. This has been accomplished by focusing efforts on strengthening license issuance security through threat response plans, stringent document verification practices, assuring the identity of licensees and identification card holders, awareness training such as Fraudulent Document Recognition, as well as improved communications and anti-fraud enforcement. The 78th Texas Legislature authorized the Texas Department of Public Safety to create a Driver License Division Fraud Investigation Unit to further address the fraud issues involving driver licenses and identification cards.

Commissioned personnel in driver license offices are responsible for conducting criminal investigations on identity theft, counterfeit documents, fraud issues, and for arresting wanted persons who are detected through the issuance process. Currently there are 118 troopers stationed in 79 driver license offices. In 2007, these troopers were responsible for the

arrest of 1,673 individuals for felony warrants and 4,809 individuals for misdemeanor warrants. During this period, 10,300 criminal investigations related to fraud and identity theft were also conducted. Additional responsibilities include supporting traffic safety initiatives through routine and holiday patrol. In 2007, commissioned troopers within the division conducted 25,584 traffic stops.

Administrative License Revocation (ALR) Service

The ALR program is designed to suspend the driver licenses of dangerous drivers in a swift and sure manner. The program is the administrative process by which the Department suspends the driver licenses of individuals who are arrested for the offense of driving while intoxicated (DWI). Specifically, an individual may be suspended if he/she either refuses to submit to a chemical test or provides a specimen with an alcohol concentration of 0.08 or greater. The DPS is also authorized to disqualify individuals who possess a commercial driver license and/or is operating a commercial motor vehicle and refuses to submit to a chemical test or provides a specimen with an alcohol concentration of .04 or greater. Minors who commit the offense of driving under the influence (DUI) as well as individuals who refuse to provide a specimen following an arrest for the offense of boating while intoxicated (BWI) are also subject to the suspension requirements as provided by the Texas Transportation Code.

Headquarters Service

This service consists of four (4) bureaus responsible for the administrative support of the division's licensing and record maintenance activities.

The Customer Service Bureau (CSB) is the contact center for the Driver License Division. Established in 1995, it serves to centralize the dissemination of driver license related information to customers via the telephone, website, fax, E-mail and general correspondence. The contact center is responsible for the main DPS Headquarters switchboard and customer service primary lines. The CSB utilizes a tracking system created to document and retain information pertaining to all customer contacts and to record all incoming and outgoing telephone calls. The Correspondence Section of the CSB is responsible for responding to general correspondence and requests received from customers regarding Driver License laws. The section prepares specific correspondence to inform individuals of their record status and of actions needed for compliance. In addition, the section performs various correspondence duties for the division related to driver license and identification card issues.

The Driver Improvement and Compliance Bureau is responsible for enforcing statutory requirements by initiating enforcement actions against unsafe or potentially unsafe drivers who violate Texas traffic laws. The Driver Improvement and Compliance Bureau is also responsible for processing all compliance items

received for driver license reinstatement under the Texas Motor Vehicle Safety Responsibility Act and Driver License Laws. While traffic safety remains the bureau's primary focus, administering laws that are not directly linked to traffic safety has become an important secondary function. An example of this activity would include enforcement of driver privilege withdrawal action for non-traffic offenses such as being medically incapable of safely operating a motor vehicle, failure to pay child support, and drug offenses. Minors who are convicted of certain violations such as truancy and tobacco awareness are also eligible for the withdrawal of their driving privileges.

The Driver Records Bureau (DRB) is the primary custodian of the driver record database. The DRB processes and maintains records for all driver license and identification cards issued by the Department. Each record contains basic identifying data about the individual and retains a listing of all traffic convictions and accident involvements which occurred in Texas, as well as other states. Records are maintained on over 18 million Texas drivers and 4 million identification cards. The DRB is responsible for providing online service programs for driver license and identification card renewals, address changes, and driver record requests. The DRB also maintains a document imaging system that allows for increased efficiency and customer support through the digital capture of documentation received and processed by the Division.

The License Issuance Bureau (LIB) provides administrative and technical support to driver license personnel, law enforcement agencies within Texas and the United States, Federal programs (National Driver Registry and Commercial Driver License Information System), as well as the general public by researching and resolving issues related to Driver License and Identification Card issuance.

LIB is responsible for the Commercial Driver License section which specializes in maintaining Commercial Driver License regulations, Federal Databases, processing of Hazardous Materials Endorsement background checks, and responds to inquiries related to the specific issuance of a Commercial Driver License. LIB is also responsible for an Evaluation Section which is responsible for researching possible misuse of DL/ID's, and the Parent Taught Driver Education section is responsible for responding to public requests regarding parental instruction for Driver Education.

The Failure to Appear (FTA) Program is also a responsibility of LIB. The FTA program is a system which prevents individuals from renewing their Texas driver license if they have failed to appear before the originating court for a final disposition of a traffic violation.

In addition, the License Issuance Bureau maintains statistical information on the number of Driver Licenses, Commercial Driver Licenses, and Identification Cards issued in Texas.

The DLD is also responsible for a newly established Image Verification System (IVS) Section. The IVS Section was created in 2008 as a result of the Division's implementation of Image Verification software for comparison of driver license and identification card applicants' photographs against photographs currently maintained by the Division from previous driver license and/or identification card issuances. This comparison provides possible matches requiring further review to determine if possible fraud or false identification resides within the system. The Image Verification Section performs complex technical work examining images (photograph and thumbprints) to determine if a record should be further evaluated for suspicious activity. Suspicious driver license and identification records are analyzed for case preparation and assignment to field and fraud trooper investigators. The IVS Section is tasked with handling the daily processing of potential matches from the nightly comparison of original applicants' photographs taken daily against the entire driver record file, as well as technical support to other divisions within the Department. Upon full agency implementation, DLD will evaluate the impact of providing the IVS to law enforcement throughout the State.

Accomplishments

A high priority agency goal to replace failing hardware and outdated software programs was realized during the 78th Legislative Session through the appropriation of funding to replace the driver license system. This project, known as the Driver License Reengineering (DLR) Project, was authorized by House Bill 3588 during the regular session and funded by House Bill 2 in the 3rd Special Session. The DLR project is addressing hardware and software needs by providing new equipment in the driver license offices to enhance the collection of customer data and more efficiently serve the public. In addition, upgraded communications networks and system capabilities will allow for enhanced security technologies to be incorporated into the new system to prevent identity theft and fraudulent issues. The reengineered system will improve customer service through the addition of online programs, enhance the security of our driver license and identification cards through the addition of new security features, improve administrative processes to provide customers with enhanced services, and reduce both internal and external fraud through the establishment of a Driver License Fraud Unit.

In 2005, contracts were awarded to vendors to redesign the driver license system and to produce new DL/IDs with enhanced security features. While the DLR project is progressing well, challenging tasks lay ahead. Significant testing, training, and deployment of driver license office equipment highlight these major tasks. Implementation is scheduled for the end of calendar year 2008.

As the United States faces a continuing threat of foreign and domestic terrorism, driver license employees, as a first line of defense, are being required to play a larger and more critical role in the deterrence of terrorist acts through the prevention of fraudulently issued driver licenses. The Field Service continues to emphasize the importance of detecting fraudulent activity during the course of issuing driver license and identification cards and actively reviews issuance procedures to ensure it remains a priority. The division instituted a policy in 2005 requiring employees to make copies of all primary and secondary identification documents submitted by the applicant for further supervisory review to detect and prevent fraudulent issuance. In addition, the Field Service has trained over thirty (30) commissioned employees as fraudulent document recognition trainers. These trainers have ensured that all employees of the Driver License Division have attended a mandatory 16-hour Fraudulent Document training course sponsored and certified by the American Association of Motor Vehicle Administrators. Employees have received the proper tools including magnification loops and ultraviolet lights in order to detect these security features on documents. The detection of fraudulent documents causes an investigation to be conducted by commissioned troopers assigned to the Division when they are present where appropriate criminal charges are subsequently filed on these cases. In some instances, Driver License trooper investigations reveal criminal activity requiring assistance and liaison with other local, State, and federal agencies.

House Bill 3588 passed during the 78th Legislative Session provided the division the authority to create a Fraud Unit. The Driver License Division Fraud Investigation Unit (FIU) began in April 2004, consisting of one (1) lieutenant, nine (9) trooper-investigators, and six (6) analysts. Two additional trooper/investigators were added in 2005 and two in 2006. The FIU trooper/investigators serve as members of the U.S. Secret Service Central Texas Electronic Crimes Task Force, the Immigration and Customs Enforcement identity task force, the Secret Service South Texas Regional Task Force on Identity Theft, and work in cooperation with the Dallas County District Attorney, and the Montgomery County District Attorney's Task Force on Identity Theft. With the addition of four (4) trooper FTE's between 2005-2006, now bringing the total number to thirteen (13), the FIU has now completed over 1,742 fraud case investigations, resulting in more than 593 arrests and arrest warrants between 2003 and 2007. In conjunction with the FIU's enforcement activity, its members assist the public by providing information and training on how to avoid becoming a victim of identity theft and actions to take if a person does become a victim of identity theft. The FIU led on a team to develop a web site and brochure aiding victims of identity theft. Additionally, the FIU provides training for the law enforcement community in fraudulent document recognition and identity theft investigations.

The ALR program is the administrative process by which the Department suspends the driver licenses of individuals who are arrested for the offense of driving while intoxicated (DWI). Texas Transportation Code Chapters 524 and 724 provide that an individual who has been served notice for refusing or failing a chemical test will be automatically suspended unless the individual requests a hearing in a timely manner. Should the individual request a hearing, a hearing is scheduled before an Administrative Law Judge (ALJ) to determine if the license or privilege should be suspended based upon the facts of the case. During fiscal year 2007, the ALR program produced a 91.5% suspension rate resulting in 93,850 driver license suspensions for refusing or failing a chemical test. This statistic includes both automatic suspensions where a hearing was not requested and findings issued by an ALJ.

The Driver Responsibility Program (DRP) was implemented under House Bill 3588 during the 78th Legislative Session directing the Department to assess surcharges based on adverse driving history. The program established a system assigning points to moving violations, as well as a surcharge for convictions or certain offenses such as "Driving While Intoxicated", "No Liability Insurance", "Driving While License Invalid", and "No Driver License". The statute provided for a vendor to administer the services for the notice and collection of surcharges and related costs. In August 2004, a contract was awarded, and the DRP was implemented in September 2004. The contractor provides a mechanism for drivers to pay surcharges by check, credit and debit card, money order, electronic check, and Western Union electronic payment services. As of May 2008, the total surcharge revenue billed was \$1,156,024,753 and the total revenue collected was \$414,236,604.

In 2004, the Federal Motor Carrier Safety Administration provided \$2,816,995 in grant funding to the Division to assist with electronic court reporting. The goal of this grant was to improve the timeliness, accuracy and completeness of driver history information by increasing the number of Texas courts reporting convictions electronically through an FTP process to sixty percent. Beginning September 2008, the United States Code of Federal Regulations will require all states to report moving violations on commercial drivers within ten (10) days of the date of conviction. In 2005, there were 1,690 Texas courts of which only 502 were reporting convictions electronically to the Department. Through the assistance of federal grant funding, the DLD was successful in increasing the number of courts reporting convictions electronically to 1,029. It was determined that the remaining courts chose not to participate in this project to automate conviction reporting due to the extremely low volume of convictions processed by those courts on an annual basis. Automation of these courts will assist Texas toward complying with the

federal requirements of reporting convictions in a timely manner. DLD's future goal to address the remaining non-automated courts is to obtain federal funding for purposes of developing a web interface for the timely reporting of convictions directly to the Department.

The Driver License Division (DLD) successfully implemented the relevant provisions of the USA PATRIOT Act on January 31, 2005 for applicants adding a Hazardous Materials Endorsement (HME). In coordination with the Crime Records Bureau, and Information Management Service, the Agency began processing applications for commercial driver license (CDL) renewal and state-to-state CDL transfer applicants on May 31, 2005. The DLD processes approximately 550 applications per week from applicants requesting to add or maintain a HME to their commercial driving privilege. The Department has also implemented Senate Bill 1258 which passed during the 79th Legislative Session. Senate Bill 1258 allows Texas to be in compliance with the USA PATRIOT Act by amending the expiration date for all commercial driver licenses from six-years to five-years. This further enhances the security of the CDL process as it requires the expiration of the HME to coincide with the expiration of the commercial driver license.

In May 2008, the Driver License Division, in cooperation with federal authorities, established a process for reporting federal felony convictions on Texas commercial drivers related to transporting undocumented aliens and illegal drugs for purposes of revoking their Texas commercial driver license. While there were existing state and federal statutes, which allowed DLD to initiate disqualification action against the commercial driver, there was no process in place for the federal courts to report these types of convictions. This collaborative effort further assists DLD's goal in making Texas public roadways safer by removing commercial drivers who violate state and federal law.

Plans

With 24.9 million people, the Texas population has grown by nearly 2.9 million residents over the past 7 years. As such, the employees of the Department have to be increased and innovative techniques must be employed to continue to meet the demands of customers in DL offices to efficiently provide high-quality service to the growing Texas population. Without the latitude to increase FTEs in relation to population growth, the results may be poor customer service, longer lines and overcrowding in driver license (DL) offices, a high employee turnover, and a lack of resources.

In order to successfully mitigate some of these issues, DPS will ensure that employees have the necessary skills in key roles to deliver on short-

term and long-term strategic goals. This will keep the DPS at the forefront of its industry. If funded accordingly, the Department will utilize an integrated business model approach to attract, acquire, train and retain high quality employees, which will vastly increase the organization's development and effectiveness when implementing this strategic approach.

Succeeding in today's ever-changing business environment requires agility, strategic goals, and most importantly, talented, skilled employees. The DPS staff is the source of the Department's success and is essential to the continual growth of the organization. In conjunction with the Public Safety Commission's directions of hiring an outside source to identify and recommend organizational changes, the Department is committed in generating a talent development strategy to build upon the business model which will support in rectifying departmental staffing issues, create a positive organizational culture, emphasize operational excellence, and allow the DPS to become a proactive, innovative force.

The Driver License Division (DLD) desires to staff employees who are willing and able to meet new challenges. These challenges require people who demonstrate a universal mindset, excellence in customer service skills with the courage to act, and the skills needed to achieve the Department's vision. By aggressively attracting and compensating employees by identifying available vacancies, staff resources and qualifications that DLD requires in order to successfully implement objectives, it will assist in assuring that all staffing and resource shortfalls are addressed.

The job knowledge, expertise, and responsibility required for performing the basic requirements of a Driver License Technician, Examiner, or Customer Service Representative has significantly increased since these positions were created. Front line driver license employees ensure that an applicant's identity is properly documented and authenticated. A breadth of technical job knowledge and skills is required to apply statutes and policies, to verify documentation presented to authenticate the identity of the applicant and to determine a licensee's physical and cognitive ability to safely operate motor vehicles on the roadways of Texas contributing to highway safety. Additionally, with an increase in the volume of applicants due to the growing population, there is also an increase in the potential for fraud related to the driver license issuance process which requires continuous training to prevent such issuances. The salary compensation for the knowledge, skills, and personal dedication required of applicants for these positions has resulted in a significant inability to attract and retain qualified employees in field offices and the Customer Service Bureau that provide essential information and services to the public.

Consequently, 43% of the existing workforce tenure of driver license technicians have been employed less than four (4) years, with 21% having been employed less than one (1) year. Call Center representatives are even less tenured with 87% having less than four 4 years service and of that, 65% have been employed less than one (1) year. A salary adjustment and implementation of a career ladder is essential to attract and retain employees in these positions that support integrity and quality in driver licensing. These employees are the first line of defense in providing identification and protecting the citizens of Texas from identity theft and possible terrorist activity.

The Real ID Act will present significant challenges to the Department's Driver License Division (DLD). The Act's proposed rules are specific and create implementation challenges with operational, legislative, technological, and fiscal limitations. Implementing Real ID will require additional staff, facilities, training, and the development, expansion, and deployment of numerous real-time verification systems. The Department will pursue conforming legislation to implement necessary requirements by December 31, 2009, which will allow Texas to extend the enrollment time period for Texas residents to obtain a Real ID compliant DL/ID.

The Driver License Reengineering (DLR) project remains a high priority for the agency. The agency will be managing many challenging tasks in the coming biennium before project completion. Thoroughly testing all components of the new driver license system is compulsory for a smooth transition from the legacy driver license system. Prior to deployment, we will begin training the entire Driver License Division staff and other critical users, such as the law enforcement community, on new terminology, business processes, rules, and equipment. The division will seek additional funding for costs associated with continuing maintenance, support, and operating expenses and have included these costs in the Division's Legislative Appropriations Request for the next biennium.

The Driver License Division's Fraud Investigation Unit's responsibility for investigative and intelligence gathering associated with preventing identity theft as well as securing the integrity of the driver license and identification card against identity threats is a continual challenge for the Department and of paramount importance. We recognize our first defense against identity theft is strengthening the "front line", those personnel who have direct communications in the DL offices. In order to maintain exceptional personnel and to attract and retain talent and integrity, we complete thorough background investigations, seek higher educational requirements for new employees, and strive for a substantial pay increases through the reclassification of existing driver license specialists. Specialized training in fraud recognition, as well as formal training in general job knowledge, is crucial to ensuring that employees value their

positions and that statutes are enforced correctly. Both the Fraud Investigation Unit and the Field Service need a substantial increase in manpower to fight the growing epidemic of fraud and identity theft and to play a more active role in securing the State of Texas from potential terrorist activity. Texas ranks 4th in the nation for Identity theft related complaints according to the Federal Trade Commission. Fraud Investigation Unit troopers assist State and federal task forces, partner and coordinate with federal agencies on complex identity theft and fraud related investigations for the Division. These responsibilities, coupled with the agencies emphasis on Border Security Operations, require additional personnel to deter and disrupt criminal activities in the border area and across the State. An increase of manpower and implementation of a command/supervisory structure will enable this unit meet the increasing demand for service and provide broader investigative coverage of these highly trained investigators.

During the 80th Legislative Session, modifications were made to the Driver Responsibility Program to allow the Division to provide individuals the opportunity to establish new payment plans on defaulted accounts, and to establish an indigent program for individuals who could not meet the surcharge requirements. Future online endeavors for this program also include the ability for individuals to review their account information online utilizing the internet and a secure direct web link to the vendor. As of May 2008, the total surcharge revenue billed was \$1,156,024,753 and the total revenue collected was \$414,236,604.

To anticipate future enhancements of the Division's program for the betterment of serving the citizens of Texas, in 2008, the DLD's Legislative Appropriations Request for the next biennium requests funding for various projects which will enhance driver license services. Should funding be made available, DLD's goal is to provide the following additional driver license services OnLine:

- Allow applicants to complete the original driver license application online prior to the driver license office visit, to minimize wait times at local offices.
- Provide driver record status, driver license compliance and reinstatement requirements to individuals who need reinstatement of driving privileges.
- Provide the ability to pay driver license reinstatement fees online.
- Provide court conviction reporting online to assist with timely conviction reporting.

- Allow insurance companies to report issuance and cancellations of automobile insurance policies (SR-22's and SR-26's).

Additionally, DLD's exceptional items request includes funding for a scheduling program for field office appointments and an Interactive Voice Recognition (IVR) System which will offer an extensive range of automated driver license services to citizens requesting assistance from the Division.